

SENATE BILL 170

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1998 Regular Session
8lr6142
CF 8lr6174

By: **The President (Administration) and Senators Fry, Blount, Currie,
Hafer, McFadden, Munson, Dorman, Kelley, and Trotter**

Introduced and read first time: January 23, 1998

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: April 3, 1998

CHAPTER _____

1 AN ACT concerning

2 **Higher Education - Small Community Colleges - Annual Grant**

3 FOR the purpose of establishing a certain annual grant for certain small community
4 ~~colleges; providing certain exceptions during a certain period~~ colleges for fiscal
5 years 1999 through 2001; defining a certain term; providing for the abrogation
6 of this Act; and generally relating to annual grants for small community
7 colleges.

8 BY repealing and reenacting, with amendments,
9 Article - Education
10 Section 16-305
11 Annotated Code of Maryland
12 (1997 Replacement Volume and 1997 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article - Education**

16 16-305.

17 (a) The formula used for the distribution of funds to the community colleges in
18 the State shall be known as the Senator John A. Cade Funding Formula.

19 (b) In this section the following words have the meanings indicated.

1 (1) "Assessed valuation of real property" means assessed valuation of
2 real property as determined for purposes of the State aid calculated under § 5-202 of
3 this article.

4 (2) "Board" means:

5 (i) In a county that has 1 or more community colleges, the board of
6 community college trustees for the county; or

7 (ii) Where 2 or more counties establish a region to support a
8 regional community college, the board of regional community college trustees.

9 (3) "Community college" means a community college established under
10 this title but does not include Baltimore City Community College.

11 (4) "County share" means the total amount of money for operating funds
12 to be provided each fiscal year to a board by the county that supports the community
13 college or colleges or, in the case of a regional community college, the total amount of
14 money for operating funds to be provided each fiscal year to the board by all counties
15 that support the regional community college.

16 (5) "Direct grants" means the sum of the following components of the
17 State share:

18 (i) Fixed costs;

19 (ii) Marginal costs; and

20 (iii) Size factor.

21 (6) "Full-time equivalent student" is the quotient of the number of
22 student credit hours produced in the fiscal year 2 years prior to the fiscal year for
23 which the State share is calculated divided by 30, as certified by the Maryland Higher
24 Education Commission.

25 (7) "Population" means population as determined for purposes of
26 calculating the State share of the library program using the definition in § 23-501 of
27 this article.

28 (8) "Region" means the counties supporting a regional community college
29 established under Subtitle 2 of this title.

30 (9) "SMALL COMMUNITY COLLEGE" MEANS:

31 (I) ALLEGANY COLLEGE OF MARYLAND;

32 (II) GARRETT COMMUNITY COLLEGE;

33 (III) HAGERSTOWN JUNIOR COLLEGE;

34 (IV) CARROLL COMMUNITY COLLEGE;

1 (V) CECIL COMMUNITY COLLEGE;

2 (VI) CHESAPEAKE COLLEGE; OR

3 (VII) WOR-WIC COMMUNITY COLLEGE.

4 [(9)] (10) "State share" means the amount of money for community
5 college operating funds to be provided each fiscal year to a board by the State.

6 [(10)] (11) "Student credit hours" means student credit hours or contact
7 hours which are eligible, under the regulations issued by the Maryland Higher
8 Education Commission, for inclusion in State funding calculations.

9 [(11)] (12) "Total State operating fund" means the sum of community
10 college State appropriations for direct grants.

11 (c) (1) The total State operating fund per full-time equivalent student to the
12 community colleges for each fiscal year as requested by the Governor shall be:

13 (i) In Fiscal Year 1998, not less than an amount equal to 21% of the
14 State's General Fund appropriation per full-time equivalent student to the 4-year
15 public institutions of higher education in the State as designated by the Commission
16 for the purpose of administering the Joseph A. Sellinger Program under Title 17 of
17 this article in the previous fiscal year;

18 (ii) In Fiscal Year 1999, not less than an amount equal to 22% of the
19 State's General Fund appropriation per full-time equivalent student to the 4-year
20 public institutions of higher education in the State as designated by the Commission
21 for the purpose of administering the Joseph A. Sellinger Program under Title 17 of
22 this article in the previous fiscal year;

23 (iii) In Fiscal Year 2000, not less than an amount equal to 23% of the
24 State's General Fund appropriation per full-time equivalent student to the 4-year
25 public institutions of higher education in the State as designated by the Commission
26 for the purpose of administering the Joseph A. Sellinger Program under Title 17 of
27 this article in the previous fiscal year;

28 (iv) In Fiscal Year 2001, not less than an amount equal to 24% of the
29 State's General Fund appropriation per full-time equivalent student to the 4-year
30 public institutions of higher education in the State as designated by the Commission
31 for the purpose of administering the Joseph A. Sellinger Program under Title 17 of
32 this article in the previous fiscal year; and

33 (v) In Fiscal Year 2002 and each fiscal year thereafter, not less
34 than an amount equal to 25% of the State's General Fund appropriation per full-time
35 equivalent student to the 4-year public institutions of higher education in the State,
36 as designated by the Commission for the purpose of administering the Joseph A.
37 Sellinger Program under Title 17 of this article in the previous fiscal year.

1 (2) The State share shall be distributed to each board and shall be
2 limited by the provisions of subsection (d) of this section.

3 (3) Subject to subsection (d) of this section, the total State share for each
4 board shall be the sum of:

- 5 (i) The fixed costs component;
- 6 (ii) The marginal costs component;
- 7 (iii) The size factor component; and
- 8 (iv) A hold harmless component.

9 (4) (i) The funds available for the fixed costs component shall be a set
10 percentage of the year's total State operating fund as follows:

- 11 1. For Fiscal Year 1998, 36% of total funding;
- 12 2. For Fiscal Year 1999, 37% of total funding; and
- 13 3. For Fiscal Year 2000 and each fiscal year thereafter, 38%
14 of total funding.

15 (ii) The funds available for the fixed costs component shall be
16 divided and distributed to the community colleges in the same proportion in which
17 the direct grants were distributed in the prior fiscal year.

18 (5) (i) For each board, the marginal costs component shall be the
19 product of the dollar amount per full-time equivalent student multiplied by the
20 number of full-time equivalent students at the board's community college or colleges.

21 (ii) The dollar amount per full-time equivalent student shall be
22 calculated by dividing 60% of the total State operating fund for the fiscal year by the
23 total number of full-time equivalent students at community colleges statewide.

24 (iii) In determining the marginal costs component for a board, the
25 number of full-time equivalent students at all campuses and colleges operated by the
26 board shall be added together.

27 (6) (i) The size factor component shall be a set percentage of the year's
28 total State operating fund as follows:

- 29 1. For Fiscal Year 1998, 4% of total funding;
- 30 2. For Fiscal Year 1999, 3% of total funding; and
- 31 3. For Fiscal Year 2000 and each fiscal year thereafter, 2% of
32 total funding.

1 (ii) The funds available for the size factor component shall be
2 divided and distributed equally to each board that operates a community college or
3 colleges at which the total number of full-time equivalent students is less than or
4 equal to 80% of the statewide median.

5 (iii) In determining the eligibility of a board for a size factor
6 component, the number of full-time equivalent students at all campuses and colleges
7 operated by the board shall be added together.

8 (7) (i) A board shall be eligible for a hold harmless component
9 beginning in Fiscal Year 1998 if the sum of the board's fixed costs, marginal costs, and
10 size factor components for the fiscal year is less than the board's total State share in
11 the prior fiscal year.

12 (ii) The hold harmless component amount shall be determined by
13 subtracting the sum of an eligible board's fixed costs, marginal costs, and size factor
14 components for the fiscal year from the board's total State share for the prior fiscal
15 year.

16 (8) Any employer Social Security contributions required by federal law
17 for any employee of a board of community college trustees shall remain the obligation
18 of the employer.

19 (9) The State contribution to retirement and fringe benefit costs is not
20 included in the calculations of amounts under this subsection.

21 (d) In each fiscal year, in order for a board to receive an increase in the State
22 share of support, the county share, in the aggregate, that supports the community
23 college or colleges shall equal or exceed the aggregate amount of operating fund
24 appropriations made to the board by the county or all of the counties supporting the
25 college in the previous fiscal year.

26 (e) (1) (i) Beginning in Fiscal Year 1996, a grant in the amount provided in
27 paragraph (2) of this subsection shall be distributed to each board in order to provide
28 instruction and services to students enrolled in an English for Speakers of Other
29 Languages ("ESOL") program.

30 (ii) To qualify for a grant under this subsection, each participant in
31 the program shall be a student:

32 1. Born outside of the United States or whose native
33 language is not English;

34 2. Who comes from an environment where a language other
35 than English is dominant; or

36 3. Who is an American Indian or Alaskan native and comes
37 from an environment where a language other than English has had a significant
38 impact on the student's level of English language proficiency.

1 (2) (i) Subject to the provisions of subparagraph (ii) of this paragraph,
2 the amount of the grant shall be \$800 times the number of qualified full-time
3 equivalent students who are enrolled in a county ESOL program and at the
4 community college.

5 (ii) 1. The total amount of the grants under this paragraph may
6 not exceed \$1,000,000 for any fiscal year.

7 2. If, for any fiscal year, the total amount of the grants
8 calculated under subparagraph (i) of this paragraph would exceed \$1,000,000, then
9 each grant shall be prorated by the amount necessary to reduce the total amount of
10 the grants to \$1,000,000.

11 (3) (i) If the amount that is appropriated to a board under this
12 subsection for any fiscal year is more than the actual cost of providing ESOL
13 programs to students enrolled at the community college in that county or region, the
14 excess funds shall be paid back to the State and credited to the General Fund of the
15 State.

16 (ii) A board may not transfer State funds received under this
17 subsection to any other program or category.

18 (F) (1) ~~BEGINNING IN FISCAL YEAR 1999~~ IN FISCAL YEARS 1999 THROUGH
19 2001, AN UNRESTRICTED GRANT IN THE AMOUNT PROVIDED IN PARAGRAPH (2) OF
20 THIS SUBSECTION SHALL BE DISTRIBUTED TO THE BOARD OF EACH SMALL
21 COMMUNITY COLLEGE.

22 (2) ~~EXCEPT AS OTHERWISE PROVIDED BY LAW,~~ THE TOTAL AMOUNT OF
23 THE GRANT SHALL BE ~~\$2,000,000 ANNUALLY~~ \$1,000,000 IN FISCAL YEARS 1999
24 THROUGH 2001 TO BE DISTRIBUTED AS FOLLOWS:

25 (I) ~~\$400,000~~ \$200,000 TO ALLEGANY COLLEGE OF MARYLAND;

26 (II) ~~\$400,000~~ \$200,000 TO GARRETT COMMUNITY COLLEGE;

27 (III) ~~\$400,000~~ \$200,000 TO HAGERSTOWN JUNIOR COLLEGE;

28 (IV) ~~\$200,000~~ \$100,000 TO CARROLL COMMUNITY COLLEGE;

29 (V) ~~\$200,000~~ \$100,000 TO CECIL COMMUNITY COLLEGE;

30 (VI) ~~\$200,000~~ \$100,000 TO CHESAPEAKE COLLEGE; AND

31 (VII) ~~\$200,000~~ \$100,000 TO WOR-WIC COMMUNITY COLLEGE.

32 ~~SECTION 2. AND BE IT FURTHER ENACTED, That in Fiscal Years 1999,~~
33 ~~2000, 2001, and 2002, the following reductions shall be made in the grant amounts~~
34 ~~under this Act, provided that funds in these amounts are appropriated pursuant to~~
35 ~~Section 29 3(e) of Chapter 105 of the Acts of the General Assembly of 1997;~~

36 (1) ~~Allegany College of Maryland grant shall be reduced by \$160,861;~~

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- 1 (2) ~~Cecil Community College grant shall be reduced by \$74,121;~~
- 2 (3) ~~Chesapeake College grant shall be reduced by \$4,909;~~
- 3 (4) ~~Garrett Community College grant shall be reduced by \$91,445; and~~
- 4 (5) ~~Hagerstown Junior College grant shall be reduced by \$165,181.~~

5 SECTION ~~3.~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take
6 effect July 1, 1998. It shall remain effective for a period of 3 years and, at the end of
7 June 30, 2001, with no further action required by the General Assembly, this Act shall
8 be abrogated and of no further force and effect.